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## **Blighted U.S. Pipe and Wheland Foundry sites to be transformed into dynamic live-work-play district**

*Chattanooga Mayor Tim Kelly and Hamilton County Mayor Jim Copping jointly announce a new phase in the yearslong effort to breathe new life into 140 acres of a once-thriving corner of the community; generate \$40 million for schools*



**Chattanooga, Tenn. (Thursday, June 30)** — More than 100 acres of the long-neglected U.S. Pipe and Wheland Foundry sites will begin transforming into a world-class live-work-play district that will generate more than \$40 million for schools, Hamilton County Mayor Jim Copping and Chattanooga Mayor Tim Kelly announced on Thursday.

Flanked by nationally renowned master developer Jim Irwin of New City Properties, Copping and Kelly detailed a public-private partnership that will allow a long-planned revitalization of the blighted

site — which is expected to generate more than \$1 billion in private investment — to begin in earnest.



The initial \$350 million phase, which will include multi-family residential buildings, class-A office space, and public recreation areas, will be anchored and catalyzed by a \$79.5 million multi-use stadium.

The city and county will each contribute \$1.5 million to the construction of the multi-use stadium, together about 4% of the cost. Using conservative projections, the surrounding new development will generate more than \$40 million in new funding for education, of more than \$90 million will be generated in total new tax revenue for the city and county. By comparison, a similar project in Fort Wayne, Indiana, reached \$1 billion of new development in 13 years. And a recent project in Columbia, South Carolina — similar in size to the Chattanooga site — notched \$650 million in six years, and is expected to exceed \$1.2 billion at full build out.

The remainder of the funding for the stadium – 96% — will come from the project itself, including tax payments from private property owners and developers, and via payments generated by the new multi-use stadium.

The Lookouts' owners will pay \$1 million in rent per year, higher than any other team in Minor League Baseball, and nearly three times the rent [paid by the Tennessee Titans](#) at Nissan Stadium. In addition to rent, the Lookouts will pay for all operations and regular maintenance for 30 years, projected to be \$45 million over that period.

Multi-use stadium funding:

- Property tax generated from private development on the site — 63%
- Lease payments for the multi-use stadium — 22%



- State sales tax generated inside the multi-use stadium — 6%
- Parking revenue from the multi-use stadium — 4%
- City/County funding for debt service — 4%
- Local sales tax generated inside the multi-use stadium — 1%

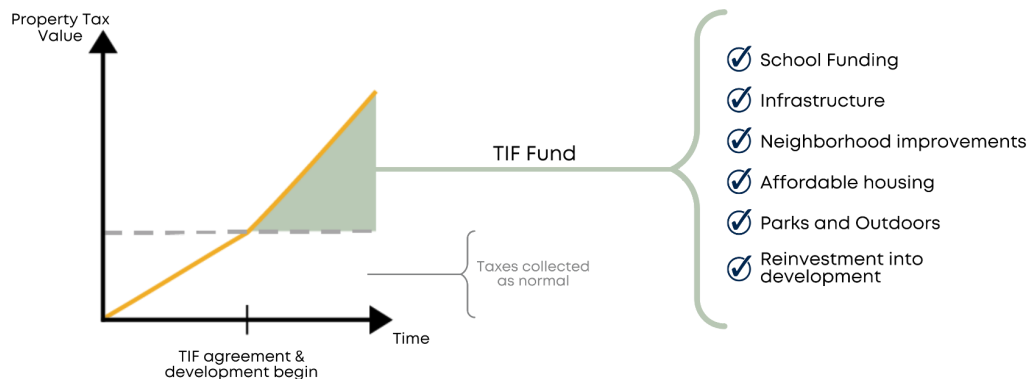
<b><u>Stadium Financing Plan:</u></b>		
Stadium Construction Costs	\$ 72,000,000	
Capitalized Interest	\$ 6,863,009	
Bond Issuance Costs	\$ 604,657	
<b>Bond Proceeds Required</b>	<b>\$ 79,467,666</b>	
<b><u>Sources for Bond Repayment:</u></b>		
Incremental Property Taxes	\$ 49,790,904	63%
Stadium Lease	\$ 17,500,934	22%
State Sales Taxes Generated in Stadium	\$ 5,095,349	6%
Net Parking Revenues	\$ 2,988,600	4%
City of Chattanooga Debt Service	\$ 1,524,823	2%
Hamilton County Debt Service	\$ 1,524,823	2%
Local Sales Taxes Generated in Stadium	\$ 1,042,234	1%
<b>Total Sources for Payment of Bond Debt</b>	<b>\$ 79,467,666</b>	<b>100%</b>

*Note: Amounts expressed in today's dollars using a discount rate equal to the bond rate.*

The Chattanooga Lookouts will lease the stadium from the Chattanooga Sports Authority, a new entity to be formed by the City and County, which will own the property. The land on which the multi-use stadium will be built, valued at \$10 million, is being donated by the current property owners to help spur growth in the South Broad district. The property owners previously donated land for the Tennessee Riverwalk, which will continue to serve the site and will be complemented by enhancements to public space.

The stadium itself will only be used by the Lookouts 20% of the year. The rest of the time, it will be a community asset, available for residents to use for local events or to freely access as yet another beautiful, open green space in our city.

The method of financing revitalization projects using the revenue generated by the project itself, known as [tax increment financing](#), is common throughout the country as a mechanism for tackling blighted industrial zones the market has been unable to redevelop alone.



The U.S. Pipe and Wheland factories were shuttered in the early 2000s, and for decades Chattanooga's western gateway has rusted away, even as much of the rest of Chattanooga saw redevelopment and renewal.

"Today, we now have an incredible opportunity before us to revitalize, renew, and reinvest in this historic land and the South Broad district," Kelly said. "Our city, the county, and the state are coming together with the ownership group and a renowned master developer to transform this site into a vibrant new community where economic opportunity and quality of life come together. The time is now."

The current plan has been in the works since 2015, when a plan to catalyze development with a multi-use stadium, paid for using tax increment financing, began to take shape. After a year of community input, the plan was published in 2018, approved by both the city and county mayors, and was then recommended by the Chattanooga-Hamilton County Regional Planning Commission and adopted by Chattanooga's City Council.

But plans paused during the pandemic, while the city and the county focused on keeping our community healthy and prosperous over the past several years.

Now, thanks to the addition of a renowned master developer, a sound financing plan developed with assistance from the state delegation, and with the Lookouts facing a looming deadline from Major League Baseball to secure a venue that meets the league's new standards, the project is moving forward.

"I've been working on this project for nearly a decade, and the opportunity to renew our western gateway is too important for the future of Hamilton County to not see this through," Coppinger said. "This will create new jobs, millions of dollars for our schools and new homes for families. This is an investment for our children and our children's children."

The newly engaged master developer, Jim Irwin of New City Properties, brings specialized expertise to the project, with an extensive background in redeveloping blighted areas into thriving communities where quality of life and economic opportunity come together.

The firm specializes in brownfield redevelopment, as well as in preservation of structures with historic character, such as the towering roof of the U.S. Pipe facility, which is expected to form part of

the future stadium. Irwin's past projects include Ponce City Market in Atlanta, Parkview Field in Fort Wayne, the Fourth Ward near Atlanta's BeltLine, and the Neuhoff site in Nashville, among others.

"What attracted New City to this project was the opportunity to combine our adaptive reuse experience with our interest in building compelling places that the surrounding community can embrace. There is a powerful story that runs through this site — a key pillar of industry in the community for more than a century, and Gary Chazen and his partners have trusted us with the opportunity to help restore it for future generations," Irwin said. "We try to be very thoughtful about the projects we take on, but the more I learn about this opportunity, the more excited I get when I think about what it can become."

Key to the plan's financing is that Hamilton County Schools will continue to receive 100% of the tax payments it is owed — projected at more than \$40 million in new money— throughout the course of the project, and beyond, said Karitsa Mosley Jones, who serves on the Hamilton County Board of Education, and is administrator of the city's Department of Early Learning.

"Those of us who value education have been working for years to secure more funding for our teachers, for our schools and for our students," Mosley Jones said. "Hamilton County is already known for its outdoor resources, its vibrant downtown, and its beautiful riverfront. But what if we were also known for the quality of our education system? This \$40 million will bring us closer to that future."

Visit [southbroad.info](https://southbroad.info) for details, images, answers to frequently-asked questions, or to leave a comment about the project.

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